[Translation]

Quarterly Report

(The First Quarter of 148th Business Term)
From April 1, 2016 to June 30, 2016

6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Hitachi, Ltd.

[Cover]

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[Company Name in English]	Hitachi, Ltd.
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[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya)

This is an English translation of the Quarterly Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors' NETwork ("EDINET") pursuant to the Financial Instruments and Exchange Act of Japan.

The translation of the Confirmation Letter for the original Quarterly Report is included at the end of this document.

Unless the context indicates otherwise, the term "Company" refers to Hitachi, Ltd. and the term "Hitachi" refers to the Company and its consolidated subsidiaries.

Unless otherwise stated, in this document, where we present information in millions or hundreds of millions of yen, we have truncated amounts of less than one million or one hundred million, as the case may be. Accordingly, the total of figures presented in columns or otherwise may not equal the total of the individual items. We have rounded all percentages to the nearest percent, one-tenth of one percent or one-hundredth of one percent, as the case may be.

References in this document to the "Financial Instruments and Exchange Act" are to the Financial Instruments and Exchange Act of Japan and other laws and regulations amending and/or supplementing the Financial Instruments and Exchange Act of Japan.

Contents

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

Consolidated financial data, etc.

(Millions of yen, unless otherwise stated)

	Three months ended June 30, 2015	Three months ended June 30, 2016	Year ended March 31, 2016
Revenues	2,314,023	2,130,467	10,034,305
Income from continuing operations, before income taxes	142,694	109,754	517,040
Net income attributable to Hitachi, Ltd. stockholders	54,958	56,450	172,155
Comprehensive income attributable to Hitachi, Ltd. stockholders	100,910	(109,564)	(127,557)
Total Hitachi, Ltd. stockholders' equity	3,013,956	2,596,434	2,735,078
Total equity	4,400,980	3,821,494	4,125,570
Total assets	12,516,062	11,658,434	12,551,005
Earnings per share attributable to Hitachi, Ltd. stockholders, basic (yen)	11.38	11.69	35.65
Earnings per share attributable to Hitachi, Ltd. stockholders, diluted (yen)	11.36	11.69	35.62
Total Hitachi, Ltd. stockholders' equity ratio (%)	24.1	22.3	21.8
Net cash provided by operating activities	105,432	84,991	812,226
Net cash used in investing activities	(133,977)	(81,401)	(730,799)
Net cash provided by (used in) financing activities	7,402	34,363	(26,467)
Cash and cash equivalents at end of period	689,993	682,922	699,315

(Notes)
1. Our consolidated financial statements have been prepared in conformity with the International Financial Report Standards ("IFRS") as issued by the International Accounting Standards Board.
2. Revenues do not include the consumption tax, etc.
3. A part of the thermal power generation systems business is classified as a discontinued operation in accordance with the provision of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations," which was not transferred to MITSUBISHI HITACHI POWER SYSTEMS, LTD. for the business integration in the thermal power generation systems with Mitsubishi Heavy Industries, Co., Ltd. The results of the discontinued operation are reported separately from continuing operations.

2. Description of Business

There were no material changes in principal businesses of Hitachi during the three months ended June 30, 2016. The Hitachi Group is comprised of the Company, 940 consolidated subsidiaries, and 357 equity-method associates and joint-ventures. Consolidated trust accounts are not included in the number of consolidated subsidiaries.

Changes of businesses in each segment and principal affiliated companies during the three months ended June 30, 2016 were as follows. Effective from April 1, 2016, the Company changed the name of the "Others (Logistics and Other services)" segment to the "Others" segment.

- Hitachi Medical Corporation, which belongs to the Electronic Systems & Equipment segment, changed its name to Hitachi Healthcare Manufacturing, Ltd. as of April 1, 2016, following the reorganization of Hitachi's healthcare business.
- Hitachi Transport System, Ltd., which belonged to the Others segment, has become an equity-method associate of the Company as a result of transfer of a part of its shares in Hitachi Transport System, Ltd. on May 19, 2016. Consequentry, Hitachi Transport System, Ltd. and its major services of logistics have not belonged to any of segments since then.

II. Business Overview

1. Risk Factors

There were no new risk factors recognized during the three months ended June 30, 2016.

There were no material changes in the risk factors stated in the Annual Securities Report for the 147th business term pursuant to the Financial Instruments and Exchange Act of Japan.

2. Material Agreements, etc.

No material agreements were entered into during the three months ended June 30, 2016.

3. Analyses of Consolidated Financial Condition, Operating Results and Cash Flows

(1) Outline of Business Results

Results of Operations

During the three months ended June 30, 2016, the global economy remained largely flat, reflecting the instability of financial and foreign exchange markets caused by growing concerns over the UK's departure from the EU, and the continued economic slowdown in China and emerging markets, despite improvement in the employment situation and continued recovery of consumer spending in the U.S. The Japanese economy also remained standstill, due mainly to the appreciation of the yen since the end of 2015.

Under these conditions, results of operations in the three months ended June 30, 2016 were as follows.

Revenues decreased 8% to ¥2,130.4 billion, as compared with the three months ended June 30, 2015, due mainly to group-wide decrease in yen-based revenues of overseas subsidiaries after currency translation along with the appreciation of the yen, lower revenues in the Information & Telecommunication Systems, Construction Machinery, High Functional Materials & Components, Smart Life & Ecofriendly Systems and Others segments. This decrease was partially offset by increased revenues in the Social Infrastructure & Industrial Systems segment.

Cost of sales decreased 7% to ¥1,584.2 billion, as compared with the three months ended June 30, 2015, and the ratio of cost of sales to revenues accounted for 74%, which was the same level as the three months ended June 30, 2015. Gross profit decreased 9% to ¥546.2 billion, as compared with the three months ended June 30, 2015.

Selling, general and administrative expenses ("SG&A") decreased 7% to ¥454.7 billion, as compared with the three months ended June 30, 2015, and the ratio of SG&A to revenues was 21%, which was the same level as the three months ended June 30, 2015.

Other income increased ¥16.0 billion to ¥45.1 billion, as compared with the three months ended June 30, 2015, due mainly to posting net gain on business reorganization and others related to the sale of a part of shares of Hitachi Transport System, Ltd. Other expenses decreased ¥0.4 billion to ¥11.9 billion, as compared with the three months ended June 30, 2015, due mainly to the absence of expenses related to competition law and others posted in the three months ended June 30, 2015 and lower special termination benefits, despite an increase in impairment losses and posting net loss on sales and disposals of fixed assets.

Financial income (excluding interest income) decreased ¥6.3 billion to ¥3.4 billion and financial expenses (excluding interest charges) increased ¥13.5 billion to ¥13.5 billion, as compared with the three months ended June 30, 2015, respectively. This was due mainly to posting exchange loss.

Share of loss of investments accounted for using the equity method was ¥2.2 billion, as compared with profits of ¥4.5 billion in the three months ended June 30, 2015.

EBIT (earnings before interest and taxes, which is presented as income from continuing operations, before income taxes less interest income plus interest charges) decreased ¥33.9 billion to ¥112.4 billion, as compared with the three months ended June 30, 2015.

Interest income decreased ¥0.4 billion to ¥2.5 billion and interest charges decreased ¥1.5 billion to ¥5.2 billion, as compared with the three months ended June 30, 2015, respectively.

Income from continuing operations, before income taxes decreased ¥32.9 billion to ¥109.7 billion, as compared with the three months ended June 30, 2015.

Income taxes decreased ¥12.6 billion to ¥33.3 billion, as compared with the three months ended June 30, 2015.

Income from discontinued operations was ¥0.4 billion, as compared with loss of ¥1.6 billion in the three months ended June 30, 2015.

Net income decreased ¥18.2 billion to ¥76.8 billion, as compared with the three months ended June 30, 2015.

Net income attributable to non-controlling interests decreased ¥19.7 billion to ¥20.3 billion, as compared with the three months ended June 30, 2015.

As a result of the foregoing, net income attributable to Hitachi, Ltd. stockholders increased ¥1.4 billion to ¥56.4 billion, as compared with the three months ended June 30, 2015.

Operations by Segment

The following is an overview of results of operations by segment. Revenues for each segment include intersegment transactions. Segment profit is measured by EBIT.

(Information & Telecommunication Systems)

Revenues decreased 4% to ¥435.0 billion, as compared with the three months ended June 30, 2015, due mainly to the negative impact of foreign currency translation for overseas subsidiaries, and decreased revenues from ATMs for overseas markets, and public systems in which large contracts were recorded in the three months ended June 30, 2015.

Segment profit decreased ¥7.6 billion to ¥0.7 billion, as compared with the three months ended June 30, 2015, due mainly to posting restructuring charges, including impairment losses mainly in the telecommunications & network business, and exchange loss, despite the effect of structural reform centered on the telecommunications & network business.

(Social Infrastructure & Industrial Systems)

Revenues increased 11% to ¥483.0 billion, as compared with the three months ended June 30, 2015, due mainly to substantial revenue increase in the rail systems business resulting from the acquisition of the business of AnsaldoBreda S.p.A. (excluding a part of its operations) and Ansaldo STS S.p.A., despite the negative impact of foreign currency translation for overseas subsidiaries.

Segment loss was ¥6.1 billion, as compared with profit of ¥8.6 billion in the three months ended June 30, 2015, due mainly to increasing loss of the power and energy business and posting exchange loss, despite increased revenues.

(Electronic Systems & Equipment)

Revenues decreased 1% to ¥255.9 billion, as compared with the three months ended June 30, 2015, due mainly to lower revenues at Hitachi Kokusai Electric Inc. owing to the end of a phase of aggressive capital investment by semiconductor manufacturers, despite increased revenues at Hitachi Koki Co., Ltd. due to the acquisition of metabo Aktiengesellschaft, a German company.

Segment profit decreased ¥5.7 billion to ¥11.5 billion, as compared with the three months ended June 30, 2015, due mainly to lower earnings at Hitachi Kokusai Electric Inc. owing to lower revenues, and posting exchange loss, despite higher earnings at Hitachi High-Technologies Corporation which recorded firm sales of clinical analyzers.

(Construction Machinery)

Revenues decreased 9% to ¥161.3 billion, as compared with the three months ended June 30, 2015, due mainly to the impact of weaker local currencies in Asia and Africa and continued sluggish market conditions in Asia, including China, as well as the Americas.

Segment profit decreased ¥3.8 billion to ¥1.4 billion, as compared with the three months ended June 30, 2015, due mainly to lower revenues and posting exchange loss.

(High Functional Materials & Components)

Revenues decreased 13% to ¥351.4 billion, as compared with the three months ended June 30, 2015, due mainly to lower revenues at both of Hitachi Metals, Ltd. and Hitachi Chemical Company, Ltd. owing to the negative impact of foreign currency translation for overseas subsidiaries and lower sales of electronics- and automotive-related products.

Segment profit decreased ¥38.9 billion to ¥23.3 billion, as compared with the three months ended June 30, 2015, due mainly to the absence of net gain on business reorganization and others related to the sale of equity interest in Hitachi Tool Engineering, Ltd. by Hitachi Metals, Ltd. recorded in the three months ended June 30, 2015 and posting exchange loss.

(Automotive Systems)

Revenues decreased 3% to ¥232.9 billion, as compared with the three months ended June 30, 2015, due mainly to lower sales in Japan and the negative impact of foreign currency translation for overseas subsidiaries, despite higher sales especially in North America and China, where demand for automobiles was firm.

Segment profit decreased ¥3.8 billion to ¥7.8 billion, as compared with the three months ended June 30, 2015, due mainly to higher R&D expenses related to Advanced Driver Assistance Systems in addition to lower income along with decreased domestic sales.

(Smart Life & Ecofriendly Systems)

Revenues decreased 31% to ¥139.8 billion, as compared with the three months ended June 30, 2015, due mainly to the effect of reorganization of the air-conditioning systems business with an equity-method associate, a joint venture company with Johnson Controls, Inc.

Segment profit decreased ¥5.0 billion to ¥3.3 billion, as compared with the three months ended June 30, 2015, due mainly to the effect of the reorganization of the air-conditioning business.

(Others)

Revenues decreased 30% to ¥213.1 billion, as compared with the three months ended June 30, 2015, due mainly to the conversion of Hitachi Transport System, Ltd. to an equity-method associate.

Segment profit decreased ¥7.4 billion to ¥4.8 billion, as compared with the three months ended June 30, 2015, due mainly to lower revenues.

(Financial Services)

Revenues decreased 2% to ¥89.2 billion, as compared with the three months ended June 30, 2015, due mainly to decreased overseas revenues owing primarily to foreign currency translation, despite the strong performance of business in the U.S.

Segment profit decreased ¥1.4 billion to ¥11.2 billion, as compared with the three months ended June 30, 2015, due mainly to lower revenues.

Revenues by Market

Revenues in Japan decreased 6% to ¥1,047.0 billion, as compared with the three months ended June 30, 2015, due mainly to lower revenues in the High Functional Materials & Components, Automotive Systems and Others segments.

Overseas revenues decreased 9% to ¥1,083.4 billion, as compared with the three months ended June 30, 2015, due mainly to lower revenues in Asia mainly in the Smart Life & Ecofriendly Systems segment, and in North America mainly in the High Functional Materials & Components segment. This decrease was partially offset by higher revenues in Europe mainly in the Social Infrastructure & Industrial Systems segment.

As a result, the ratio of overseas revenues to total revenues decreased 1% to 51%, as compared with the three months ended June 30, 2015.

(2) Summary of Financial Condition, etc.

Liquidity and Capital Resources

During the three months ended June 30, 2016, there were no major changes in the Company’s policies of maintaining liquidity and ensuring funds, efforts for improvement in fund management efficiency, and ideas regarding funding sources and fundraising.

Cash Flows

(Cash Flows from Operating Activities)

Net income in the three months ended June 30, 2016 decreased by ¥18.2 billion, as compared with the three months ended June 30, 2015. Working capital in the three months ended June 30, 2016 improved, due mainly to decreased net cash outflow from a change in trade payables by ¥119.2 billion, as compared with the three months ended June 30, 2015, despite decreased net cash inflow from a change in trade receivables by ¥64.2 billion, as compared with the three months ended June 30, 2015. Dividends received decreased by ¥10.2 billion as compared with the three months ended June 30, 2015. As a result of the foregoing, net cash provided by operating activities was ¥84.9 billion in the three months ended June 30, 2016, a decrease of ¥20.4 billion as compared with the three months ended June 30, 2015.

(Cash Flows from Investing Activities)

Net amount of investments related to property, plant and equipment* was ¥126.0 billion in the three months ended June 30, 2016, an increase of ¥13.3 billion as compared with the three months ended June 30, 2015. Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) in the three months ended June 30, 2016 decreased by ¥64.5 billion, as compared with the three months ended June 30, 2015 in which Hitachi Data Systems Corporation acquired Pentaho Corporation. Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method) increased by ¥23.8 billion as compared with the three months ended June 30, 2015, due mainly to the transfer of a part of shares of Hitachi Transport System, Ltd. As a result of the foregoing, net cash used in investing activities was ¥81.4 billion in the three months ended June 30, 2016, a decrease of ¥52.5 billion as compared with the three months ended June 30, 2015.

* The sum of the purchase of property, plant and equipment, the purchase of intangible assets and the purchase of leased assets, less the proceeds from sale of property, plant and equipment, and intangible assets, the proceeds from sale of leased assets and the collection of lease receivables

(Cash Flows from Financing Activities)

Net cash inflow from a change in short-term debt in the three months ended June 30, 2016 increased by ¥17.0 billion, as compared with the three months ended June 30, 2015. Proceeds related to long-term debt** in the three months ended June 30, 2016 was ¥21.4 billion, an increase of ¥7.2 billion as compared with the three months ended June 30, 2015. As a result of the foregoing, net cash provided by financing activities was ¥34.3 billion in the three months ended June 30, 2016, an increase of ¥26.9 billion as compared with the three months ended June 30, 2015.

** The proceeds from long-term debt, less the payments on long-term debt

As a result of the foregoing, cash and cash equivalents as of June 30, 2016 was ¥682.9 billion, a decrease of ¥16.3 billion from March 31, 2016. Free cash flows, the sum of cash flows from operating and investing activities, were an inflow of ¥3.5 billion in the three months ended June 30, 2016, compared with an outflow of ¥28.5 billion in the three months ended June 30, 2015.

Assets, Liabilities and Equity

The following is an overview of Hitachi's assets, liabilities and equity as of June 30, 2016.

Total assets were ¥11,658.4 billion, a decrease of ¥892.5 billion from March 31, 2016. This was due mainly to decreases in the value of assets denominated in foreign currency owing to the appreciation of the yen, converting Hitachi Transport System, Ltd. to an equity-method associate and progress on collecting trade receivables recorded as of March 31, 2016.

Total interest-bearing debt, the sum of short-term debt and long-term debt, was ¥3,494.2 billion, a decrease of ¥110.2 billion from March 31, 2016. This was due mainly to the impact of the appreciation of the yen.

Total Hitachi, Ltd. stockholders' equity decreased by ¥138.6 billion from March 31, 2016, to ¥2,596.4 billion, due mainly to posting other comprehensive loss owing primarily to the appreciation of the yen, despite posting net income attributable to Hitachi, Ltd. stockholders. The ratio of total Hitachi, Ltd. stockholders' equity to total assets increased 0.5% from March 31, 2016 to 22.3%.

Non-controlling interests were ¥1,225.0 billion, a decrease of ¥165.4 billion from March 31, 2016.

Total equity was ¥3,821.4 billion, a decrease of ¥304.0 billion from March 31, 2016. The ratio of interest-bearing debt to total equity was 0.91, as compared with 0.87 as of March 31, 2016.

(3) Challenges Facing Hitachi Group

1) Business and Financial Condition

There were no material changes in Hitachi's business strategy during the three months ended June 30, 2016.

2) Fundamental Policy on the Conduct of Persons Influencing Decision on the Company's Financial and Business Policies

The Group invests a great deal of business resources in fundamental research and in the development of market-leading products and businesses that will bear fruit in the future, and realizing the benefits from these management policies requires that they be continued for a set period of time. For this purpose, the Company keeps its shareholders and investors well informed of not just the business results for each period but also of the Company's business policies for creating value in the future.

The Company does not deny the significance of the vitalization of business activities and performance that can be brought about through a change in management control, but it recognizes the necessity of determining the impact on company value and the interests of all shareholders of the buying activities and buyout proposals of parties attempting to acquire a large share of stock of the Company or a Group company by duly examining the business description, future business plans, past investment activities, and other necessary aspects of such a party.

There is no party that is currently attempting to acquire a large share of the Company's stocks nor is there a specific threat, neither does the Company intend to implement specified so-called anti-takeover measures in advance of the appearance of such a party, but the Company does understand that it is one of the natural duties bestowed upon it by the shareholders and investors to continuously monitor the state of trading of the Company's stock and then to immediately take what the Company deems to be the best action in the event of the appearance of a party attempting to purchase a large share of the Company's stock. In particular, together with outside experts, the Company will evaluate the buyout proposal of the party and hold negotiations with the buyer, and if the Company deems that said buyout will not maintain the Company's value and is not in the best interest of the shareholders, then the Company will quickly determine the necessity, content, etc., of specific countermeasures and prepare to implement them. The same response will also be taken in the event a party attempts to acquire a large percentage of the shares of a Group company.

(4) Research and Development

There were no material changes in the research and development of the Hitachi Group (the Company and consolidated subsidiaries) stated in the Annual Securities Report for the 147th business term pursuant to the Financial Instruments and Exchange Act of Japan. The Hitachi Group's R&D expenditures in the three months ended June 30, 2016 were ¥76.4 billion, 3.6% of revenues. A breakdown of R&D expenditures by segment is shown below.

(Billions of yen)

Segment	Three months ended June 30, 2016
Information & Telecommunication Systems	13.1
Social Infrastructure & Industrial Systems	10.9
Electronic Systems & Equipment	11.2
Construction Machinery	4.1
High Functional Materials & Components	11.2
Automotive Systems	18.1
Smart Life & Ecofriendly Systems	1.5
Others	0.9
Financial Services	0.0
Corporate	4.9
Total	76.4

(5) Property, Plants and Equipment

The major property, plants and equipment materially changed during the three months ended June 30, 2016 are as follows.

Hitachi Group

(As of June 30, 2016)

Segment	Book value (Millions of yen)							Number of employees
	Land [Area in thousands of m^2]	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Other	Construction in progress	Total	
Others (Note)	37,572 [2,063]	62,997	7,033	17,538	1,548	904	127,592	14,281

(Note) The book value of the facilities in the Others segment materially decreased due mainly to the fact that Hitachi Transportation Ltd. has become an equity-method associate of the Company from its subsidiary on May 19, 2016.

The Company

(As of June 30, 2016)

Facility (Main location)	Segment	Details of major facilities and equipment	Book value (Millions of yen)							Number of employees
			Land [Area in thousands of m^2]	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Other	Construction in progress	Total	
Healthcare Business Unit (Note) (Taito-ku, Tokyo)	Electronic Systems & Equipment	Manufacturing facilities for medical equipment	6,614 [93]	5,179	578	1,701	669	567	15,311	2,986

(Note) The Company newly discloses the facilities of Healthcare Business Unit as the major property, plants and equipment, since the book value of the facilities materially increased due mainly to the absorption-type company split in which the Company succeeded non-manufacturing divisions of Hitachi Medical Corporation and Hitachi Aloka Medical, Ltd. on April 1, 2016. In addition, the Company reorganized in-house companies into business units.

(6) Plans for Capital Investment, Disposals of Property, Plants and Equipment, etc.

The Hitachi Group (the Company and consolidated subsidiaries) engages in diverse operations in Japan and overseas, and has not decided on specific plans to newly install or expand each of facilities as of the end of the consolidated fiscal year and each quarter of the consolidated fiscal year. For this reason, it discloses amounts of capital investment by segment.

The amount of capital investment for the fiscal year ending March 31, 2017 is updated as follows (new installation and expansions, based on the amount recorded as tangible fixed assets and the investment property) from the amount initially planned as of March 31, 2016.

(Billions of yen)

Segment	The amount of capital investment for the fiscal year ending March 31, 2017	
	Initial Plan	Updated Plan
Information & Telecommunication Systems	45.0	45.0
Social Infrastructure & Industrial Systems	70.0	70.0
Electronic Systems & Equipment	20.0	20.0
Construction Machinery	20.0	20.0
High Functional Materials & Components	110.0	110.0
Automotive Systems	80.0	80.0
Smart Life & Ecofriendly Systems	15.0	15.0
Others	20.0	20.0
Financial Services (Note 4)	45.0	70.0
Subtotal	425.0	450.0
Corporate Items & Eliminations	0.0	0.0
Total	425.0	450.0

(Notes)
1. The figures in the above table include the amount of the tangible fixed assets leased under finance lease transactions and the investment property, each of which is recorded as property, plant and equipment and other non-current assets, respectively.
2. These planned investments are expected to be mostly financed with the Hitachi Group's own capital.
3. There are no plans to dispose or sell principal facilities, with the exception of disposing and selling facilities due to routine upgrading.
4. Even though Hitachi Capital Corporation was planned to be accounted as the Company's equity-method associate following the share transfer in August 2016, the effective date of transfer of shares was changed to October, 2016 or after, subject to the regulation, permission and authorization. As a result of the rescheduling, the amount of capital investment for the fiscal year ending March 31, 2017 in the Financial Services segment was updated.

(7) Forward-Looking Statements

Certain statements found in "3. Analyses of Consolidated Financial Condition, Operating Results and Cash Flows" and other descriptions in this report may constitute "forward-looking statements" as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such "forward-looking statements" reflect management's current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as "anticipate," "believe," "expect," "estimate," "forecast," "intend," "plan," "project" and similar expressions which indicate future events and trends may identify "forward-looking statements." Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the "forward-looking statements" and from historical trends. Certain "forward-looking statements" are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on "forward-looking statements," as such statements speak only as of the date of this report.

Factors that could cause actual results to differ materially from those projected or implied in any "forward-looking statement" and from historical trends include, but are not limited to:

- economic conditions, including consumer spending and plant and equipment investment in Hitachi's major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors Hitachi serves;
- exchange rate fluctuations of the yen against other currencies in which Hitachi makes significant sales or in which Hitachi's assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- uncertainty as to Hitachi's ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities, declines in which may require Hitachi to write down equity securities that it holds;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components;
- the possibility of cost fluctuations during the lifetime of, or cancellation of, long-term contracts for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- credit conditions of Hitachi's customers and suppliers;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials or shortages of materials, parts and components;
- uncertainty as to Hitachi's ability to continue to develop and market products that incorporate new technologies on a timely and cost-effective basis and to achieve market acceptance for such products;
- increased commoditization of and intensifying price competition for products;
- uncertainty as to Hitachi's ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of acquisitions of other companies, joint ventures and strategic alliances and the possibility of incurring related expenses;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness;
- the potential for significant losses on Hitachi's investments in equity-method associates and joint ventures;
- general socioeconomic and political conditions and the regulatory and trade environment of countries where Hitachi conducts business, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports and differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to the success of cost structure overhaul;
- uncertainty as to Hitachi's ability to attract and retain skilled personnel;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property rights;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity-method associates and joint ventures have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- the possibility of disruption of Hitachi's operations by natural disasters such as earthquakes and tsunamis, the spread of infectious diseases, and geopolitical and social instability such as terrorism and conflict;
- uncertainty as to Hitachi's ability to maintain the integrity of its information systems, as well as Hitachi's ability to protect its confidential information or that of its customers; and
- uncertainty as to the accuracy of key assumptions Hitachi uses to evaluate its employee benefit-related costs.

The factors listed above are not all-inclusive and are in addition to other factors contained elsewhere in this report and in other materials published by Hitachi.

III. Information on the Company

1. Information on the Company's Stock, etc.

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued (shares)
Common stock	10,000,000,000
Total	10,000,000,000

2) Issued shares

Class	Number of shares issued as of the end of first quarter (shares) (June 30, 2016)	Number of shares issued as of the filing date (shares) (August 8, 2016)	Stock exchange on which the Company is listed	Description
Common stock	4,833,463,387	4,833,463,387	Tokyo, Nagoya	The number of shares per one unit of shares is 1,000 shares.
Total	4,833,463,387	4,833,463,387	—	—

(2) Information on the stock acquisition rights, etc.

Not applicable.

(3) Information on moving strike convertible bonds, etc.

Not applicable.

(4) Information on shareholder right plans

Not applicable.

(5) Changes in the total number of issued shares and the amount of common stock and other

Date	Change in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Change in common stock (Millions of yen)	Balance of common stock (Millions of yen)	Change in capital reserve (Millions of yen)	Balance of capital reserve (Millions of yen)
From April 1, 2016 to June 30, 2016	—	4,833,463,387	—	458,790	—	176,757

(6) Major shareholders

Not applicable.

(7) Information on voting rights

Information on voting rights as of March 31, 2016 is stated in this item because the Company does not identify the number of voting rights as of June 30, 2016 due to the lack of information on the number of the Company's shares held by the entity which the Company holds one quarter or more of all voting rights of such entity as of June 30, 2016.

1) Issued shares

(As of March 31, 2016)

Classification	Number of shares (shares)	Number of voting rights	Description
Shares without voting right	—	—	—
Shares with restricted voting right (treasury stock, etc.)	—	—	—
Shares with restricted voting right (others)	—	—	—
Shares with full voting right (treasury stock, etc.)	Common stock 5,413,000	—	—
Shares with full voting right (others)	Common stock 4,805,569,000	4,805,569	—
Shares less than one unit	Common stock 22,481,387	—	—
Number of issued shares	4,833,463,387	—	—
Total number of voting rights	—	4,805,569	—

(Note) The "Shares with full voting right (others)" column includes 26,000 shares registered in the name of Japan Securities Depository Center, Incorporated (account for managing stocks whose shareholders have not transferred titles) and 26 voting rights for those shares.

2) Treasury stock, etc.

(As of March 31, 2016)

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total shares held (shares)	Ownership percentage to the total number of issued shares (%)
Hitachi, Ltd.	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	5,247,000	—	5,247,000	0.11
Aoyama Special Steel Co., Ltd.	9-11, Shinkawa 2-chome, Chuo-ku, Tokyo	10,000	—	10,000	0.00
ISHII DENKOSHA Co., Ltd.	1-11, Oroshishinmachi 3-chome, Higashi-ku, Niigata-shi, Niigata	1,000	—	1,000	0.00
SAITA KOUGYOU CO., LTD.	5-3, Takinogawa 5-chome, Kita-ku, Tokyo	88,000	—	88,000	0.00
Nitto Jidosha Kiki K.K.	3268, Nagaoka, Ibarakimachi, Higashiibaraki-gun, Ibaraki	52,000	—	52,000	0.00
Mizuho Co., Inc.	4-1, Koishikawa 5-chome, Bunkyo-ku, Tokyo	15,000	—	15,000	0.00
Total	—	5,413,000	—	5,413,000	0.11

2. Changes in Senior Management

There were no changes in senior management from the filing date of the Annual Securities Report for the 147th business term pursuant to the Financial Instruments and Exchange Act of Japan to June 30, 2016.

IV. Financial Information

Refer to the condensed quarterly consolidated financial statements incorporated in this Quarterly Report.

Part II Information on Guarantors, etc. for the Company

Not applicable.

CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS
CONDENSED QUARTERLY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Millions of yen

	June 30, 2016	March 31, 2016
Assets		
Current assets		
Cash and cash equivalents	682,922	699,315
Trade receivables (note 6)	2,561,978	2,992,770
Lease receivables (note 6)	352,362	338,758
Inventories	1,352,518	1,299,855
Other current assets (note 6)	594,364	541,857
Total current assets	5,544,144	5,872,555
Non-current assets		
Investments accounted for using the equity method	712,069	676,960
Investments in securities and other financial assets (note 6)	1,177,127	1,329,974
Lease receivables (note 6)	730,279	727,485
Property, plant and equipment	2,234,767	2,500,226
Intangible assets	947,108	1,070,403
Other non-current assets	312,940	373,402
Total non-current assets	6,114,290	6,678,450
Total assets	11,658,434	12,551,005
Liabilities		
Current liabilities		
Short-term debt	829,243	871,417
Current portion of long-term debt (note 6)	676,517	651,518
Other financial liabilities (note 6)	300,044	280,048
Trade payables	1,312,475	1,451,918
Accrued expenses	564,669	727,402
Advances received	498,130	480,457
Other current liabilities	455,603	531,456
Total current liabilities	4,636,681	4,994,216
Non-current liabilities		
Long-term debt (note 6)	1,988,485	2,081,520
Other financial liabilities (note 6)	88,737	115,155
Retirement and severance benefits	737,298	783,670
Other non-current liabilities	385,739	450,874
Total non-current liabilities	3,200,259	3,431,219
Total liabilities	7,836,940	8,425,435
Equity		
Hitachi, Ltd. stockholders’ equity		
Common stock	458,790	458,790
Capital surplus	586,702	586,790
Retained earnings (note 7)	1,638,510	1,609,761
Accumulated other comprehensive income (loss)	(83,747)	83,543
Treasury stock, at cost	(3,821)	(3,806)
Total Hitachi, Ltd. stockholders’ equity	2,596,434	2,735,078
Non-controlling interests	1,225,060	1,390,492
Total equity	3,821,494	4,125,570
Total liabilities and equity	11,658,434	12,551,005

See accompanying notes to condensed quarterly consolidated financial statements.

CONDENSED QUARTERLY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND CONDENSED QUARTERLY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Condensed Quarterly Consolidated Statements of Profit or Loss

Three months ended June 30, 2016 and 2015	Millions of yen	
	2016	2015
Revenues	2,130,467	2,314,023
Cost of sales	(1,584,227)	(1,711,256)
Gross profit	546,240	602,767
Selling, general and administrative expenses	(454,757)	(487,377)
Other income (note 8)	45,174	29,127
Other expenses (note 8)	(11,942)	(12,387)
Financial income (note 9)	3,480	9,807
Financial expenses (note 9)	(13,524)	(11)
Share of profits (losses) of investments accounted for using the equity method	(2,200)	4,542
EBIT (Earnings before interest and taxes)	112,471	146,468
Interest income	2,545	3,007
Interest charges	(5,262)	(6,781)
Income from continuing operations, before income taxes	109,754	142,694
Income taxes	(33,385)	(46,057)
Income from continuing operations	76,369	96,637
Income (loss) from discontinued operations (note 10)	433	(1,603)
Net income	76,802	95,034
Net income attributable to:		
Hitachi, Ltd. stockholders	56,450	54,958
Non-controlling interests	20,352	40,076
Earnings per share from continuing operations, attributable to Hitachi, Ltd. stockholders (note 11)		
Basic	11.60	11.71
Diluted	11.60	11.69
Earnings per share attributable to Hitachi, Ltd. stockholders (note 11)		
Basic	11.69	11.38
Diluted	11.69	11.36

See accompanying notes to condensed quarterly consolidated financial statements.

Condensed Quarterly Consolidated Statements of Comprehensive Income

Three months ended June 30, 2016 and 2015	Millions of yen	
	2016	2015
Net income	76,802	95,034
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	(31,479)	8,280
Remeasurements of defined benefit plans	(464)	52
Share of OCI of investments accounted for using the equity method	(488)	379
Total items not to be reclassified into net income	(32,431)	8,711
Items that can be reclassified into net income		
Foreign currency translation adjustments	(181,068)	45,461
Net changes in cash flow hedges	10,736	(18,504)
Share of OCI of investments accounted for using the equity method	(25,732)	23,494
Total items that can be reclassified into net income	(196,064)	50,451
Other comprehensive income (OCI)	(228,495)	59,162
Comprehensive income (loss)	(151,693)	154,196
Comprehensive income (loss) attributable to:		
Hitachi, Ltd. stockholders	(109,564)	100,910
Non-controlling interests	(42,129)	53,286

See accompanying notes to condensed quarterly consolidated financial statements.

CONDENSED QUARTERLY CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Three months ended June 30, 2016 — Millions of yen

2016	Common stock	Capital surplus	Retained earnings (note 7)	Accumulated other comprehensive income(loss)	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests (note 5)	Total equity
Balance at beginning of period	458,790	586,790	1,609,761	83,543	(3,806)	2,735,078	1,390,492	4,125,570
Changes in equity								
Reclassified into retained earnings	-	-	1,268	(1,268)	-	-	-	-
Net income	-	-	56,450	-	-	56,450	20,352	76,802
Other comprehensive loss	-	-	-	(166,014)	-	(166,014)	(62,481)	(228,495)
Dividends to Hitachi, Ltd. Stockholders	-	-	(28,969)	-	-	(28,969)	-	(28,969)
Dividends to non-controlling interests	-	-	-	-	-	-	(20,551)	(20,551)
Acquisition of treasury stock	-	-	-	-	(23)	(23)	-	(23)
Sales of treasury stock	-	(3)	-	-	8	5	-	5
Changes in non-controlling interests	-	(85)	-	(8)	-	(93)	(102,752)	(102,845)
Total changes in equity	-	(88)	28,749	(167,290)	(15)	(138,644)	(165,432)	(304,076)
Balance at end of period	458,790	586,702	1,638,510	(83,747)	(3,821)	2,596,434	1,225,060	3,821,494

Three months ended June 30, 2015 — Millions of yen

2015	Common stock	Capital surplus	Retained earnings (note 7)	Accumulated other comprehensive income	Treasury stock, at cost	Total Hitachi, Ltd. stockholders' equity	Non-controlling interests	Total equity
Balance at beginning of period	458,790	608,416	1,477,517	401,100	(3,542)	2,942,281	1,354,061	4,296,342
Changes in equity								
Reclassified into retained earnings	-	-	927	(927)	-	-	-	-
Net income	-	-	54,958	-	-	54,958	40,076	95,034
Other comprehensive income	-	-	-	45,952	-	45,952	13,210	59,162
Dividends to Hitachi, Ltd. stockholders	-	-	(28,971)	-	-	(28,971)	-	(28,971)
Dividends to non-controlling interests	-	-	-	-	-	-	(20,800)	(20,800)
Acquisition of treasury stock	-	-	-	-	(82)	(82)	-	(82)
Sales of treasury stock	-	1	-	-	3	4	-	4
Changes in non-controlling interests	-	(259)	-	73	-	(186)	477	291
Total changes in equity	-	(258)	26,914	45,098	(79)	71,675	32,963	104,638
Balance at end of period	458,790	608,158	1,504,431	446,198	(3,621)	3,013,956	1,387,024	4,400,980

See accompanying notes to condensed quarterly consolidated financial statements.

CONDENSED QUARTERLY CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended June 30, 2016 and 2015

	Millions of yen	
	2016	2015
Cash flows from operating activities:		
Net income	76,802	95,034
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	116,425	121,450
Impairment losses	5,650	385
Income taxes	33,408	46,057
Share of (profits) losses of investments accounted for using the equity method	2,200	(4,386)
Financial income and expenses	(450)	(326)
Net gain on business reorganization and others	(44,723)	(28,722)
(Gain) loss on sale of property, plant and equipment	2,423	(61)
Change in trade receivables	231,126	295,344
Change in inventories	(120,572)	(125,442)
Change in other assets	(58,769)	(30,449)
Change in trade payables	(971)	(120,184)
Change in retirement and severance benefits	(10,020)	(22,640)
Change in other liabilities	(85,043)	(67,479)
Other	(337)	(856)
Subtotal	147,149	157,725
Interest received	2,502	3,462
Dividends received	3,848	14,082
Interest paid	(5,779)	(7,531)
Income taxes paid	(62,729)	(62,306)
Net cash provided by (used in) operating activities	84,991	105,432
Cash flows from investing activities:		
Purchase of property, plant and equipment	(82,462)	(85,339)
Purchase of intangible assets	(20,251)	(18,390)
Purchase of leased assets	(122,009)	(119,927)
Proceeds from sale of property, plant and equipment, and intangible assets	5,545	1,713
Proceeds from sale of leased assets	4,098	5,529
Collection of lease receivables	89,074	103,722
Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	(9,205)	(73,776)
Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	57,140	33,300
Other	(3,331)	19,191
Net cash provided by (used in) investing activities	(81,401)	(133,977)
Cash flows from financing activities:		
Change in short-term debt, net	61,445	44,442
Proceeds from long-term debt	150,121	116,291
Payments on long-term debt	(128,638)	(102,014)
Proceeds from payments from non-controlling interests	-	88
Dividends paid to Hitachi, Ltd. stockholders	(29,007)	(29,014)
Dividends paid to non-controlling interests	(18,301)	(21,763)
Acquisition of common stock for treasury	(23)	(82)
Proceeds from sales of treasury stock	5	4
Purchase of shares of consolidated subsidiaries from non-controlling interests	(1,294)	(489)
Proceeds from partial sales of shares of consolidated subsidiaries to non-controlling interests	60	-
Other	(5)	(61)
Net cash provided by (used in) financing activities	34,363	7,402
Effect of exchange rate changes on cash and cash equivalents	(54,346)	9,433
Change in cash and cash equivalents	(16,393)	(11,710)
Cash and cash equivalents at beginning of period	699,315	701,703
Cash and cash equivalents at end of period	682,922	689,993

See accompanying notes to condensed quarterly consolidated financial statements.

Notes to Condensed Quarterly Consolidated Financial Statements

June 30, 2016

(1) Nature of Operations

Hitachi, Ltd. (the Company) is a corporation domiciled in Japan, whose shares are listed on the Tokyo Stock Exchange. The condensed quarterly consolidated financial statements of the Company as of and for the three months ended June 30, 2016 comprise the Company, its subsidiaries, and the Company's interests in associates and joint ventures. The Company's and its subsidiaries' businesses are global and diverse, and include manufacturing and services in nine segments consisting of information and telecommunication systems, social infrastructure and industrial systems, electronic systems and equipment, construction machinery, high functional materials and components, automotive systems, smart life and ecofriendly systems, others (logistics and other services) and financial services.

(2) Basis of Presentation

As the Company meets the requirements of a "Specified Company" pursuant to Article 1-2 of the Ordinance on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No.64 of 2007), the condensed quarterly consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards (IAS) 34 "Interim Financial Reporting", as permitted by the provision of Article 93 of the Ordinance. They do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS), and should be read in conjunction with the financial statements and notes included in the Company's annual consolidated financial statements for the year ended March 31, 2016.

Management of the Company has made a number of judgments, estimates and assumptions relating to the application of accounting policies, reporting of revenues and expenses and assets and liabilities in the preparation of these condensed quarterly consolidated financial statements. Actual results could differ from those estimates.

Estimates and assumptions are continually evaluated. The effects of a change in accounting estimates, if any, is recognized in the reporting period in which the change was made and in future periods.

Judgments, estimates and assumptions that could have a material effect on these condensed quarterly consolidated financial statements are basically the same as those disclosed in the Company's annual consolidated financial statements for the year ended March 31, 2016.

(3) Significant Accounting Policies

Significant accounting policies adopted in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended March 31, 2016.

Income taxes for three month ended June 30, 2016 are computed using the estimated annual effective tax rate.

(4) Segment Information

The operating segments of the Company are the components for which separate financial information is available and which is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company discloses its business in nine reportable segments, corresponding to categories of activities classified primarily by the similarities for the nature of markets, products and services, and economic characteristics. Several operating segments are aggregated into Social Infrastructure & Industrial Systems, Electronic Systems & Equipment and High Functional Materials & Components for financial reporting purposes so that financial statement users better understand the Company's financial position and business performance. The Company aggregates operating segments based on the similarities of economic characteristics mainly using profit margin ratios of operating segment. The primary products and services included in each segment are as follows:

Information & Telecommunication Systems:
Systems integration, Consulting, Cloud services, Servers, Storage, Software, Telecommunication & network and ATMs

Social Infrastructure & Industrial Systems:
Industrial machinery and plants, Elevators, Escalators, Railway systems, Thermal, Nuclear and Renewable energy power generation systems and Transmission & distribution systems

Electronic Systems & Equipment:
Semiconductor processing equipment, Test and measurement equipment, Advanced industrial products, Medical electronics equipment and Power tools

Construction Machinery:
Hydraulic excavators, Wheel loaders and Mining machinery

High Functional Materials & Components:
Semiconductor and display related materials, Circuit boards and materials, Automotive parts (molded plastics, etc.), Energy storage devices, Specialty steels, Magnetic materials and components, High grade casting components and materials and Wires and cables

Automotive Systems:
Engine management systems, Electric power train systems, Drive control systems and Car information systems

Smart Life & Ecofriendly Systems:
Air-conditioning equipment, Room air conditioner, Refrigerators and Washing machines

Others
Optical disk drives, Property management and others

Financial Services:
Leasing and Loan guarantees

Effective from April 1, 2016, the Company changed the name of Others (Logistics and other services) to Others.

Notes to Condensed Quarterly Consolidated Financial Statements

June 30, 2016

The following tables show business segment information for the three months ended June 30, 2016 and 2015.

Revenues from Outside Customers

Millions of yen

	2016	2015
Information & Telecommunication Systems	389,412	387,876
Social Infrastructure & Industrial Systems	426,175	397,093
Electronic Systems & Equipment	231,539	234,253
Construction Machinery	158,529	173,701
High Functional Materials & Components	338,040	387,935
Automotive Systems	232,238	239,868
Smart Life & Ecofriendly Systems	132,654	195,048
Others	136,164	212,007
Financial Services	84,921	86,063
Subtotal	2,129,672	2,313,844
Corporate items	795	179
Total	2,130,467	2,314,023

Revenues from Intersegment Transactions

Millions of yen

	2016	2015
Information & Telecommunication Systems	45,666	63,708
Social Infrastructure & Industrial Systems	56,877	38,651
Electronic Systems & Equipment	24,390	24,506
Construction Machinery	2,773	3,654
High Functional Materials & Components	13,369	14,758
Automotive Systems	683	1,236
Smart Life & Ecofriendly Systems	7,175	8,637
Others	76,940	93,317
Financial Services	4,363	4,722
Subtotal	232,236	253,189
Corporate items and Eliminations	(232,236)	(253,189)
Total	-	-

Notes to Condensed Quarterly Consolidated Financial Statements
June 30, 2016

Total Revenues

Millions of yen

	2016	2015
Information & Telecommunication Systems	435,078	451,584
Social Infrastructure & Industrial Systems	483,052	435,744
Electronic Systems & Equipment	255,929	258,759
Construction Machinery	161,302	177,355
High Functional Materials & Components	351,409	402,693
Automotive Systems	232,921	241,104
Smart Life & Ecofriendly Systems	139,829	203,685
Others	213,104	305,324
Financial Services	89,284	90,785
Subtotal	2,361,908	2,567,033
Corporate items and Eliminations	(231,441)	(253,010)
Total	2,130,467	2,314,023

Segment Profit (Loss)

Millions of yen

	2016	2015
Information & Telecommunication Systems	757	8,423
Social Infrastructure & Industrial Systems	(6,146)	8,646
Electronic Systems & Equipment	11,500	17,283
Construction Machinery	1,433	5,235
High Functional Materials & Components	23,372	62,298
Automotive Systems	7,800	11,690
Smart Life & Ecofriendly Systems	3,348	8,427
Others	4,824	12,236
Financial Services	11,222	12,660
Subtotal	58,110	146,898
Corporate items and Eliminations	54,361	(430)
Total	112,471	146,468
Interest income	2,545	3,007
Interest charges	(5,262)	(6,781)
Income from continuing operations, before income taxes	109,754	142,694

Segment profit (loss) is measured by EBIT.
Intersegment transactions are generally recorded at the same prices used in arm's length transactions.
Corporate items include unallocated corporate expenses, such as expenditures for leading-edge R&D, a part of net gain on business reorganization, and others.

(5) Business Acquisitions and Divestitures

On May 13, 2016, the Company has concluded an agreement regarding the transfer of common stocks of Hitachi Capital Corporation (Hitachi Capital), a subsidiary of the Company in the Financial Services segment, in order to strengthen finance functions and accelerate the concentration of management resources in the Social Innovation Business. In accordance with this agreement, a certain number of shares of Hitachi Capital common stocks owned by the Company will be transferred to Mitsubishi UFJ Financial Group, Inc. and Mitsubishi UFJ Lease & Financial Co., Ltd in the fiscal year ending March 31, 2017. As a result of this transfer of shares, the Company's ownership ratio of voting rights in Hitachi Capital will decrease from 60.6% to 33.4%, and Hitachi Capital will cease to be the Company's consolidated subsidiary and will be its associate accounted for using the equity-method. The effects of this transaction on the Company's consolidated financial statements are currently being evaluated.

On March 30, 2016, the Company has concluded an agreement regarding the transfer of common stocks of Hitachi Transport System, Ltd. (HTS), a subsidiary of the Company included in the Others in segment information, in order to expand the scope of the Social Innovation Business by enhancing logistics platforms. In accordance with this agreement, a certain number of shares of HTS common stocks owned by the Company were transferred to SG Holdings Co., Ltd. on May 19, 2016. As a result of this transfer of shares, the Company's ownership ratio of voting rights in HTS decreased from 59.02% to 30.01%, and HTS ceased to be the Company's consolidated subsidiary and became its associate accounted for using the equity-method. A gain on the sale of shares of HTS in the amount of 44,958 million yen was recognized in Other income in the condensed quarterly consolidated statement of profit or loss. Changes in non-controlling interests in the condensed quarterly consolidated statement of changes in equity include derecognition of non-controlling interest in HTS as a result of its deconsolidation

On February 7, 2015, Hitachi Data Systems Corporation (HDS), a subsidiary of the Company in the Information & Telecommunications Systems segment, signed a definitive agreement with the shareholders of Pentaho Corporation (Pentaho) to acquire all the shares of Pentaho, for enhancing big-data technologies and solutions. Pentaho integrates data, develops technologies for big-data analysis and visualization, and delivers solutions and supports. On May 29, 2015, HDS acquired all the shares of Pentaho in accordance with the definitive agreement, and HDS obtained control of Pentaho, and it became a wholly owned subsidiary.

The following table summarizes the fair value of the consideration paid for Pentaho, the assets acquired and liabilities assumed recognized as of the acquisition date.

	Millions of yen
Cash and cash equivalents	988
Trade receivables	807
Other current assets	182
Non-current assets (excluding intangible assets)	82
Intangible assets	
Goodwill (not deductible for tax purposes)	55,901
Other intangible assets	10,275
Total	68,235
Current liabilities	3,449
Non-current liabilities	9
Total	3,458
Cash paid for acquisition	64,777

The goodwill mainly comprises excess earning power and expected synergies arising from the acquisition.

The results of operations of Pentaho for the period from the acquisition date to June 30, 2015 were not material.

On a pro forma basis, revenues and net income attributable to Hitachi, Ltd. stockholders using an assumed acquisition date for Pentaho of April 1, 2015 would not differ materially from the amounts reported in the condensed quarterly consolidated financial statements for the three months ended June 30, 2015.

(6) Fair Value of Financial Instruments

(a) Fair Value Measurements

The following methods and assumptions are used to measure the fair value of financial assets and liabilities.

Cash and cash equivalents, Short-term loans receivable, Short-term debt, Other payables and Trade payables

The carrying amount approximates the fair value because of the short maturity of these instruments.

Trade receivables

Fair value is measured by the present value of future cash flows discounted by risk-free rates after considering early settlements, cancellation and the balance of doubtful accounts, for each type of receivable, class of receivable based on collection records and term of collection.

Lease receivables

Fair value is based on the present value of lease payments receivable based on years to maturity, using discount rates that reflect the time to maturity and credit risk.

Investments in securities and Other financial assets

Investment securities with quoted market prices are estimated using the quoted share prices. In the absence of an active market for investment securities, quoted prices for similar investment securities, quoted prices associated with transactions that are not distressed for identical or similar investment securities or other relevant information including market interest rate curves, referenced credit spreads or default rates, are used to determine fair value. If significant inputs of fair value measurement are unobservable, the Company uses price information provided by financial institutions to evaluate such investments. The information provided is corroborated by the income approach using its own valuation model, or the market approach using comparisons with prices of similar securities.

The fair value of long-term loans receivable is estimated based on the present value of future cash flows using the interest rate applicable to an additional loan of the same type.

Derivative assets are measured at fair value based on quoted prices associated with transactions that are not distressed, prices in inactive markets, or based on models using interest rate curves and forward and spot prices for currencies and commodities. If significant inputs are unobservable, the Company mainly uses the income approach or the market approach to corroborate relevant information provided by financial institutions and other available information.

Fair values of subordinated interests and beneficiary interests in trust that are retained in transactions of transferring financial assets are estimated by discounting future cash flows based on economic assumptions including expected rate of credit loss and discount rate since significant inputs for estimation of the fair value are unobservable.

Long-term debt

The fair value of long-term debt is estimated based on quoted market prices or the present value of future cash flows using the market interest rates applicable to the same contractual terms.

Other financial liabilities

Derivative liabilities are measured at fair value based on quoted prices associated with transactions that are not distressed, prices in inactive markets, or based on models using interest rate curves and forward and spot prices for currencies and commodities. If significant inputs are unobservable, the Company uses mainly the income approach or the market approach to corroborate relevant information provided by financial institutions and other available information.

Contract guarantee deposits are financial liabilities received from some customers and other parties as a credit enhancement to trade and lease receivables, and normally returned after the underlying assets are fully collected. The fair value of contract guarantee deposits is measured by discounting the sum of the principals over the time to the contractual return dates, using the risk-free discount rate.

(b) Financial Instruments Measured at Amortized Cost

The carrying amounts and estimated fair values of the financial instruments measured at amortized cost are as follows.

The fair value estimated for financial assets and liabilities measured at amortized cost is classified in Level 2 of the fair value hierarchy.

Millions of yen

	June 30, 2016		March 31, 2016	
	Carrying amounts	Estimated fair values	Carrying amounts	Estimated fair values
Assets				
Trade receivables [1]	3,142,605	3,163,734	3,676,298	3,691,667
Lease receivables	1,082,641	1,119,597	1,066,243	1,104,607
Investments in securities and other financial assets [2]				
Debt securities	65,723	65,766	75,326	75,319
Long-term loans receivable	88,331	89,544	90,944	91,773
Liabilities				
Long-term debt [3]				
Lease obligations	37,869	37,602	44,600	44,696
Bonds	714,367	731,269	742,941	755,325
Long-term debt	1,912,766	1,935,963	1,945,497	1,970,687
Other financial liabilities				
Contract guarantee deposits	28,967	28,852	31,987	31,528

[1] Trade receivables are included in Trade receivables and Investments in securities and other financial assets in the condensed quarterly consolidated statements of financial position.

[2] Investments in securities and other financial assets are included in Other current assets and Investments in securities and other financial assets in the condensed quarterly consolidated statements of financial position.

[3] Long-term debt is included in Current portion of long-term debt and Long-term debt in the condensed quarterly consolidated statements of financial position.

(c) Financial Instruments Measured at Fair Value in Condensed Quarterly Consolidated Statements of Financial Position

Financial instruments measured at fair value on a recurring basis after the initial recognition are classified into three levels of the fair value hierarchy based on the measurement inputs' observability as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets
Level 2: Valuations measured by direct or indirect observable inputs other than Level 1
Level 3: Valuations measured by significant unobservable inputs

When several inputs are used for a fair value measurement, the level is determined based on the input that is significant with the lowest level in the fair value measurement as a whole.

Transfers between levels are deemed at the beginning of each quarter period.

The following tables present the assets and liabilities that are measured at fair value on a recurring basis.

June 30, 2016 — Millions of yen

Class of financial instruments	Level 1	Level 2	Level 3	Total
FVTPL financial assets:				
Investments in securities and other financial assets [1]				
Equity securities	16	-	2,750	2,766
Debt securities	10,659	7,248	32,812	50,719
Derivatives	-	95,852	6,061	101,913
FVTOCI financial assets:				
Investments in securities and other financial assets [1]				
Equity securities	239,932	206	110,810	350,948
Total financial assets at fair value	250,607	103,306	152,433	506,346
FVTPL financial liabilities:				
Other financial liabilities				
Derivatives	-	75,255	-	75,255
Total financial liabilities at fair value	-	75,255	-	75,255

March 31, 2016 — Millions of yen

Class of financial instruments	Level 1	Level 2	Level 3	Total
FVTPL financial assets:				
Investments in securities and other financial assets [1]				
Equity securities	16	-	1,781	1,797
Debt securities	12,051	7,427	38,025	57,503
Derivatives	-	37,489	6,061	43,550
FVTOCI financial assets:				
Investments in securities and other financial assets [1]				
Equity securities	280,978	220	115,536	396,734
Total financial assets at fair value	293,045	45,136	161,403	499,584
FVTPL financial liabilities:				
Other financial liabilities				
Derivatives	-	82,617	-	82,617
Total financial liabilities at fair value	-	82,617	-	82,617

[1] Investments in securities and other financial assets are included in Other current assets and Investments in securities and other financial assets in the condensed quarterly consolidated statements of financial position.

Notes to Condensed Quarterly Consolidated Financial Statements

June 30, 2016

The following tables present the changes in Level 3 instruments measured on a recurring basis for the three months ended June 30, 2016 and 2015.

June 30, 2016 Millions of yen

Level 3 financial assets	Equity securities	Debt securities	Derivatives	Total
Balance at beginning of period	117,317	38,025	6,061	161,403
Gain (loss) in profit or loss [1]	33	(36)	-	(3)
Loss in OCI [2]	(1,587)	-	-	(1,587)
Purchases	1,624	1,252	-	2,876
Sales and redemption	(411)	(5,616)	-	(6,027)
Acquisitions and divestitures	(3,341)	(567)	-	(3,908)
Transfer from Level 3 [3]	(168)	-	-	(168)
Other	93	(246)	-	(153)
Balance at end of period	113,560	32,812	6,061	152,433
Unrealized gain (loss) relating to financial assets still held at end of period [4]	33	(84)	-	(51)

June 30, 2015 Millions of yen

Level 3 financial assets	Equity securities	Debt securities	Derivatives	Total
Balance at beginning of period	112,632	57,299	-	169,931
Loss in profit or loss [1]	(111)	(279)	-	(390)
Gain in OCI [2]	5,237	-	-	5,237
Purchases	406	960	6,061	7,427
Sales and redemption	(722)	(5,389)	-	(6,111)
Acquisitions and divestitures	124	197	-	321
Transfer from Level 3 [3]	(1,134)	-	-	(1,134)
Other	507	251	-	758
Balance at end of period	116,939	53,039	6,061	176,039
Unrealized gain (loss) relating to financial assets still held at end of period [4]	5,137	(44)	-	5,093

[1] Gain (loss) in profit or loss related to FVTPL financial assets is included in Financial income and Financial expenses in the condensed quarterly consolidated statements of profit or loss.
[2] Gain (loss) in OCI related to FVTOCI financial assets is included in Net changes in financial assets measured at fair value through OCI in the condensed quarterly consolidated statements of comprehensive income.
[3] Transfer from Level 3 is mainly the result of an investee being listed on the stock market.
[4] Unrealized gain (loss) related to FVTPL financial assets still held at the end of period are included in Financial income and Financial expenses in the condensed quarterly consolidated statements of profit or loss.

Valuation techniques and unobservable inputs used for measuring financial instruments categorized as Level 3 on a recurring basis as of June 30 and March 31, 2016 are as follows:

June 30, 2016 Millions of yen

Level 3 financial instruments	Fair value	Valuation technique	Unobservable inputs	Range
Subordinated interests and beneficiary interests in trusts that are retained relating to securitization of financial assets	21,038	DCF	Discount rate	0.01-0.69%
			Expected rate of credit loss of the entire transferred financial assets	0.15-0.36%

March 31, 2016 Millions of yen

Level 3 financial instruments	Fair value	Valuation technique	Unobservable inputs	Range
Subordinated interests and beneficiary interests in trusts that are retained relating to securitization of financial assets	25,389	DCF	Discount rate	0.05-1.25%
			Expected rate of credit loss of the entire transferred financial assets	0.15-0.36%

The impact on the fair value is not material if unobservable inputs are changed to reasonably possible alternative assumptions in estimating the fair value of subordinated interests and beneficiary interests in trusts that are retained relating to securitization of financial assets.

Fair values are measured by finance departments in accordance with the Company's policies and procedures. Valuation models are determined so that they reflect each financial instrument's nature, characteristics and risks most appropriately. The finance departments continually examine changes in important inputs that could affect the fair value. In case the fair value of a financial instrument was significantly impaired, administrators review and approve the impairment loss.

(7) Dividends

Dividends declared on common stock for the three months ended June 30, 2016 are as follows:

Decision	Cash dividends (millions of yen)	Appropriation from	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors on May 13, 2016	28,969	Retained earnings	6.0	March 31, 2016	May 30, 2016

Dividends declared on common stock for the three months ended June 30, 2015 are as follows:

Decision	Cash dividends (millions of yen)	Appropriation from	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors on May 14, 2015	28,971	Retained earnings	6.0	March 31, 2015	June 1, 2015

Notes to Condensed Quarterly Consolidated Financial Statements

June 30, 2016

(8) Other Income and Expenses

Millions of yen

	2016	2015
Net gain (loss) on sales and disposals of fixed assets	(2,423)	61
Impairment losses	(5,650)	(385)
Net gain on business reorganization and others	44,723	28,722
Special termination benefits	(1,424)	(5,608)
Expenses related to competition law and others	-	(4,653)

Net gain on business reorganization and others include gains and losses related to obtaining and losing control of investees and gains and losses related to obtaining and losing significant influence over investees.
Restructuring charges (structural reform expenses) included in other expenses for the three months ended June 30, 2016 and 2015 were ¥7,074 million and ¥5,993 million, respectively. Restructuring charges (structural reform expenses) mainly include impairment losses and special termination benefits.

(9) Financial Income and Expenses

Millions of yen

	2016	2015
Dividends received	3,386	3,843
Exchange gain (loss)	(12,915)	5,344

Dividends received for the three months ended June 30, 2016 and 2015 are from FVTOCI financial assets.

(10) Discontinued Operations

In the Social Infrastructure & Industrial Systems, the Company classified the part of thermal power generation system business which was not transferred to Mitsubishi Hitachi Power Systems, Ltd. for business integration in the thermal power generation systems business with Mitsubishi Heavy Industries, Ltd. but was operated by the Company and certain subsidiaries as discontinued operations in the condensed quarterly consolidated statements of profit or loss since the projects were completed in the year ended March 31, 2015.

Profit or loss and cash flows from the discontinued operations for the three months ended June 30, 2016 and 2015 are as follows:

Millions of yen

	2016	2015
Profit or loss from discontinued operations		
Revenues	1,127	41
Cost of sales and expenses	(671)	(1,644)
Income (loss) from discontinued operations, before taxes	456	(1,603)
Income taxes	(23)	-
Income (loss) from discontinued operations	433	(1,603)

Millions of yen

	2016	2015
Cash flows from discontinued operations		
Cash flows from operating activities	(790)	(148)
Cash flows from investing activities	-	-
Cash flows from financing activities	415	16

(11) Earnings Per Share (EPS) Information

The computations of net income attributable to Hitachi, Ltd. stockholders used to derive basic and diluted EPS for the three months ended June 30, 2016 and 2015 are as follows:

Number of shares

	2016	2015
Weighted average number of shares on which basic EPS is calculated	4,828,192,248	4,828,521,644
Effect of dilutive securities	33,771	-
Number of shares on which diluted EPS is calculated	4,828,226,019	4,828,521,644

Millions of yen

	2016	2015
Net income from continuing operations, attributable to Hitachi, Ltd. stockholders		
Basic	56,017	56,561
Effect of dilutive securities		
Other	(0)	(95)
Diluted	56,017	56,466
Net Income (loss) from discontinued operations, attributable to Hitachi, Ltd. stockholders		
Basic	433	(1,603)
Effect of dilutive securities		
Other	-	-
Diluted	433	(1,603)
Net income attributable to Hitachi, Ltd. stockholders		
Basic	56,450	54,958
Effect of dilutive securities		
Other	(0)	(95)
Diluted	56,450	54,863

Yen

	2016	2015
EPS from continuing operations, attributable to Hitachi, Ltd. stockholders		
Basic	11.60	11.71
Diluted	11.60	11.69
EPS from discontinued operations, attributable to Hitachi, Ltd. stockholders		
Basic	0.09	(0.33)
Diluted	0.09	(0.33)
EPS attributable to Hitachi, Ltd. stockholders		
Basic	11.69	11.38
Diluted	11.69	11.36

(12) Contingencies

(a) ***Litigation***

In June 2009, a subsidiary in Japan received a grand jury subpoena in connection with the investigation conducted by the Antitrust Division of the U.S. Department of Justice and received requests for information from the European Commission in respect of alleged antitrust violations relating to optical disk drives. In November 2011, the subsidiary in Japan paid a fine in relation to the investigation from the Antitrust Division of the U.S. Department of Justice. In July 2012, the subsidiary in Japan received a statement of objections from the European Commission in respect of alleged antitrust violations. In October 2015, the European Commission announced the amount of the fine for the subsidiary in Japan in respect of alleged antitrust violations, and in June 2016, two subsidiaries in Japan and Korea paid the fines.

In July 2011, a subsidiary in the U.S.A. received a grand jury subpoena from the Antitrust Division of the U.S. Department of Justice, the Company and a subsidiary in Europe received requests for information from the European Commission, and a subsidiary in Canada received requests for information from the Canadian Competition Bureau, all in respect of alleged antitrust violations relating to automotive equipment. In November 2013, a subsidiary in Japan, which had been also primarily responsible for responding to the investigation from the Antitrust Division of the U.S. Department of Justice, paid fines. In January 2016, the Company and the subsidiary in Japan which had been also primarily responsible for responding to the investigation from European Commission reached a settlement with the European Commission, and paid fines in April 2016.

In April 2014, a subsidiary in the U.S.A. received a grand jury subpoena in connection with the investigation conducted by the Antitrust Division of the U.S. Department of Justice in respect of alleged antitrust violations relating to automotive equipment. A subsidiary in Japan which had been also primarily responsible for responding to the investigation made provision for estimated loss on a reasonable basis.

In June 2014, a subsidiary in Japan was investigated by the Japan Fair Trade Commission in respect of alleged antitrust violations relating to capacitors. In March 2016, the subsidiary received a notice that the investigation was over from the Japan Fair Trade Commission. The subsidiary in Japan and subsidiaries in Europe, the U.S.A., and others are being investigated by competition authorities in each country or region, all in respect of alleged antitrust violations relating to capacitors. In April 2016, the subsidiary in Japan concluded an agreement in which the subsidiary will pay fines, and in June 2016, the subsidiary in Japan paid the fines. In November 2015, the subsidiaries in Japan received a statement of objections from the European Commission in respect of alleged antitrust violations.

In addition to the above, the Company, its subsidiaries and associates have cooperated with the competent authorities. Depending upon the outcome of these matters, fines or surcharge payments, the amount of which is uncertain, may be imposed on them. Also, in connection with pending and settled antitrust violations, civil disputes, including class action lawsuits, involving the Company and some of these companies have arisen in a number of countries, including in the U.S.A. and Canada. An amount, which was considered to be a reasonable estimate in respect of these claims, was accrued for the potential losses in relation to certain of these civil disputes.

In August 2012, a subsidiary in Europe received a complaint filed by a customer in Europe seeking compensation for consequential losses of EUR 1,058 million (¥121,092 million), additional costs and interest allegedly incurred by the delay in the construction process of a power plant against, jointly and severally, the Company, the subsidiary in Europe, a consortium including the Company and the subsidiary in Europe, and two other companies. In addition, in October 2013 and February 2016, the subsidiary in Europe received additional complains requesting compensation for consequential losses of EUR 239 million (¥27,395 million) and EUR 105 million (¥11,969 million), respectively. In June 2016, the Company was informed that the customer added an associate in Europe as one of the defendants. Although the Company, the subsidiary and the associate in Europe and the consortium will vigorously defend themselves against this lawsuit, there can be no assurance that they will not be held liable for any amounts claimed.

In December 2013, the Company, a subsidiary in Europe and a consortium consisting of the Company and the subsidiary in Europe, jointly and severally received a request from a customer in Europe to refer a dispute to arbitration seeking compensation for EUR 606 million (¥69,411 million) including consequential losses allegedly incurred by the delay in the construction process of a power plant. As of June 30, 2016, the amount of compensation claimed by the customer was changed to EUR 637 million (¥72,886 million). In December 2015, these companies, jointly and severally received a request for arbitration from the customer demanding EUR 161 million (¥18,454 million) in compensation for performance related deficiencies of a power plant. Although the Company, the subsidiary in Europe, and the consortium consisting of the Company and the subsidiary in Europe, will vigorously defend themselves against this claim, there can be no assurance that they will not be held liable for any amounts claimed.

In January 2016, a subsidiary in Europe notified its customer in Europe that the subsidiary had commenced arbitration proceedings to resolve a disagreement about construction of a power plant, and then the arbitration was started. While the subsidiary is seeking payments of the unpaid amounts based on the contract, a counterclaim was filed by the customer. Thus, there can be no assurance that the subsidiary will not be held liable for any amounts.

The Company and its subsidiaries execute a number of business reorganizations, including mergers, acquisitions and divestitures. Contracts for these reorganizations include clauses for transaction price adjustments subsequent to the reorganizations. As the result of price adjustments, etc. there is a possibility that the Company pays for any amounts.

Depending upon the outcome of the above legal proceedings, there may be an adverse effect on the consolidated financial position or results of operations. Currently, the Company is unable to estimate the adverse effect, if any, of many of these proceedings. Accordingly, except as otherwise stated, no accrual for potential loss has been made. The actual amount of fines, surcharge payments or any other payments resulting from these legal proceedings may be different from the accrued amounts.

In addition to the above, the Company and its subsidiaries are subject to legal proceedings and claims which have arisen in the ordinary course of business and have not been finally adjudicated. These actions when ultimately concluded and determined will not, in the opinion of management, have a material adverse effect on the consolidated financial position or results of operations of the Company and subsidiaries.

(b) Other

On February 1, 2014 (hereinafter the “effective date of company split”), the Company and Mitsubishi Heavy Industries, Ltd. (hereinafter “MHI”) integrated their thermal power generation systems businesses into MHI’s consolidated subsidiary, MITSUBISHI HITACHI POWER SYSTEMS, LTD. (hereinafter “MHPS”), through a spin-off in the form of an absorption-type company-split. As part of this business integration, assets and liabilities associated with boiler construction projects for Medupi and Kusile Power Stations for which the Company’s consolidated subsidiaries in the Republic of South Africa, Hitachi Power Africa Proprietary Limited (hereinafter “HPA”) and other companies received orders in 2007, as well as their contractual status in relation to customers, and rights and obligations thereof were transferred from HPA to MHI’s consolidated subsidiary, Mitsubishi Hitachi Power Systems Africa Proprietary Limited (hereinafter “MHPS

Africa") (hereinafter, the "Transfer of South African Business").

Under the agreement executed between the Company and MHI regarding the Transfer of South African Business, the Company and HPA shall be liable for contingent liabilities resulting from events that occurred before the effective date of company split as well as claims that had already been made as of the said date, while MHPS and MHPS Africa shall be held responsible for the execution of business on and after the effective date of company split. Given these conditions, it has been agreed upon to determine the final transfer price upon agreement on future construction schedule as of the effective date of company split and confirmation of estimated project cash flows based on such schedule between the parties, and settle the difference with the provisional price.

The said transfer price adjustment for the Transfer of South African Business is still under discussion between the Company and MHI and not yet agreed upon at the moment. On March 31, 2016, MHI requested the Company to pay ZAR 48,200 million (approximately ¥379.0 billion when ZAR 1 = ¥7.87) to MHPS Africa as a portion of transfer price adjustment, etc. The Company replied to MHI on April 6, 2016 that the details of the demand letter lacked legal grounds under any agreement and thus the Company cannot accept it.

The Company has recorded provisions based on reasonable estimates for the aforementioned agreement related to the South African Business. The actual amount of payment resulting from the transfer price adjustment may be different from the accrued amount.

(13) Approval of Condensed Quarterly Consolidated Financial Statements

The condensed quarterly consolidated financial statements for the first quarter of 2016 were approved on August 8, 2016 by Toshiaki Higashihara, President and CEO of the Company.

[Cover]

[Document Filed]	Confirmation Letter
[Applicable Law]	Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed with]	Director, Kanto Local Finance Bureau
[Filing Date]	August 8, 2016
[Company Name]	Kabushiki Kaisha Hitachi Seisakusho
[Company Name in English]	Hitachi, Ltd.
[Title and Name of Representative]	Toshiaki Higashihara, President & CEO
[Name and title of CFO]	Mitsuaki Nishiyama, Senior Vice President and Executive Officer
[Address of Head Office]	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya)

1. Matters Related to Adequacy of Statements Contained in the Quarterly Report

   Mr. Toshiaki Higashihara, President & CEO, and Mr. Mitsuaki Nishiyama, Senior Vice President and Executive Officer, confirmed that statements contained in the Quarterly Report for the first quarter of 148th fiscal year (from April 1, 2016 to June 30, 2016) were adequate under the Financial Instruments and Exchange Act.

2. Special Notes

   None.